Mr. SPEAKER.—I will now put the Motion to the House. The question is:

"We, the members of the Mysore Legislative Assembly assembled in this Session beg leave to thank the Governor for the Address delivered to the members of the Legislature on the 11th June 1957".

The Motion was adopted.

Mr. SPEAKER.—The House will now rise and meet again at 4-00 P.M.

The House adjourned at Ten Minutes past One of the Clock and reassembled at Four of the Clock.

[MR. SPEAKER in the Chair.]

BUDGET ESTIMATES FOR 1957-58 (PRESENTATION)

Sri T. MARIAPPA (Minister for Finance).—

SIR,

I DEEM it a great privilege, that I should be called upon again, to present the first final Budget of the new State of Mysore for the year 1957-58. I had indicated in my speech while presenting the Budget Estimates for the last five months of 1956-57, the difficulties in gathering correct financial data from the other integrating areas. The position did not very much improve when I presented the interim Budget Estimates for the year 1957-58 on the 20th March 1957. I had indicated then that the "real financial picture can only be seen when we get one or two years' actuals for the several items of expenditure included in the Budget Estimates". This stands good even to-day. However, the Finance Department has endeavoured to gather as much material and information as possible from all sources and to check up such data to the best extent possible with a view to place before the House as accurate an Estimate as possible of both Receipts and Expenditure.

ಶ್ರೀ ಬಿ. ಕೆ. ಪುಟ್ಟರಾಮಯ್ಯ (ಚನ್ನಪಟ್ಟಣ).—I rise to a point of order, Sir. ಸ್ವಾಮಿ, ನಮ್ಮ ರಾಜ್ಯಾಂಗದಲ್ಲಿ ಎಲ್ಲಿಯೂ ಕೂಡ 'ಬಡ್ಜೆಟ್' ಎಂಬ ಪದವನ್ನು ಉಪಯೋಗಿಸಿಲ್ಲ. ಆದರೆ ನಮ್ಮ ರೂಲ್ಸ್ ನಲ್ಲಿ ಮಾತ್ರ ಉಪಯೋಗಿಸಿದ್ದಾರೆ.

ಅಧ್ಯಕ್ಷರು.—ತಮ್ಮ point of order ಅರ್ಥವಾಗಲಿಲ್ಲ. ಆದರೂ ಅರ್ಥವಾಗಿರುವಷ್ಟಕ್ಕೆ ಉತ್ತರ ಹೇಳುತ್ತೇನೆ. ನಮ್ಮ ರೂಲ್ಸ್‌ನಲ್ಲಿ 'ಬಡ್ಜೆಟ್' ಎಂಬ ಪದ ಉಪಯೋಗಿಸಿರತಕ್ಕದ್ದೇನೂ ಅಕ್-ಕಾರ್ಸ್ಟಿಟ್ಯೂಷನರ್ ಅಲ್ಲ. ಆದ್ದರಿಂದ ಕ್ರಿಯಾಲೋಪಕ್ಕೆ ಅವಕಾಶವಿಲ್ಲ. ಹಣಕಾಸಿನ ಸಚಿವರು ಭಾಷಣ ಮಾಡುವುದಕ್ಕೆ ಮುಂಚೆ ಕ್ರಿಯಾಲೋಪ ಸೂಚಿಸಿದ್ದರೆ ಚೆನ್ನಾಗಿತ್ತು. ಆದರೂ ಇರುವ ಪರಿಸ್ಥಿತಿಯನ್ನು ವಿಶದಪಡಿಸಿ ಹೇಳುತ್ತೇನೆ. ರಾಜ್ಯಾಂಗದಲ್ಲಿ ಫೈನಾರ್ಷಿಯಲ್ ಸ್ಟೇಟ್‌ಮೆಂಟ್ ಎಂಬ ಪದವಷ್ಟೆ ಉಪಯೋಗಿಸಿರುವುದು ನಿಜ. ಆದರೆ ಇಲ್ಲಿ ಹತ್ತಾರು ವರ್ಷಗಳಿಂದ ಬಡ್ಜೆಟ್ ಎಂದು ಹೇಳುತ್ತಲೇ ಬಂದಿದ್ದಾರೆ. ಬಡ್ಜೆಟ್ ಎಂದರೂ ಒಂದೇ, ಫೈನಾರ್ಷಿಯಲ್ ಸ್ಟೇಟ್‌ಮೆಂಟ್ ಎಂದರೂ ಒಂದೇ, ಅದರಲ್ಲೇನೂ ವ್ಯತ್ಯಾಸವಿಲ್ಲ. ತಮ್ಮ ಕ್ರಿಯಾಲೋಪವನ್ನು ಎತ್ತಿಹಿಡಿಯುವುದಕ್ಕೆ ಸಾಧ್ಯವೇ ಇಲ್ಲ. ಅನೇಕ ವರ್ಷಗಳಿಂದ ಬಡ್ಜೆಟ್ ಎಂಬ ಪದವನ್ನು ಉಪಯೋಗ ಮಾಡುತ್ತಿರುವುದರಿಂದ ಅದು ಇಲ್ಲವೆಂದು ಹೇಳುವುದಕ್ಕಾಗುವುದಿಲ್ಲ. ಬಡ್ಜೆಟ್ ಎಂಬುದೂ ಸಹ ಉಪಯೋಗದಲ್ಲಿರುವ ಶಬ್ದವೇ ಆಗಿದೆ.

Sri T. MARIAPPA.—

This House is aware that the interim Budget was purely a tentative one and the Legislature had Voted on Account, the funds necessary to carry on the administration for the period up to 1st August 1957. I had indicated at the time that it was open to the new Government that will be formed after the General Elections, to re-examine the Estimates and to place before the reconstituted House a final revised Budget. The interim Budget was reviewed by the present Government and the Estimates have been revised and recast with reference to the needs of each department. In the process of recasting, we had to cut down all non-essential items and to include fresh items not provided for, in the light of later developments. These estimates have been framed on the best

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available data and we have endeavoured to furnish all supplemental information to the main Estimates. I may assure you that in spite of the difficulties that have arisen as a result of integration of five different areas with different systems of taxation laws and differing levels of Receipts and Expenditure, the Estimates indicate a fairly accurate picture of the anticipated Receipts and Expenditure, both on Revenue and Capital account.

Series of decisions on policy and administrative problems after the formation of the new State have necessitated revision and recasting of the Budget Estimates.

Pay Scales.

Integration of five different areas brought under one administration employees with different scales of pay and differing conditions of service. This presented a most difficult problem both human and administrative. These problems had to be tackled with great speed and expedition. Any delay would not have ensured smooth working of the administrative machinery. The most important question that brooked no delay was the evolution of common pay scales for the employees of the new State. Administratively, it assumed great urgency for no recruitment could take place without common pay scales for the new State. Employees of the former State of Mysore had been demanding revision of their scales of pay for a long time and the Mascarenhas Committee report on the pay structure had unfortunately been shelved. It had given rise to discontentment. The situation grew worse after integration. Moreover, there were criticisms in the Legislature of the former State of Mysore for not redressing the grievances of the Government employees. Even after the formation of the new State, all sections of the House demanded revision of the scales of pay. This found vehement expression in the last December Session.

Government had promised to consider this question as speedily as possible. Accordingly an Official Committee was set up to evolve common scales of pay. The Government took into consideration the needs of the new State and its financial capacity and published their final decision on 25th January 1957.

The notable feature in the evolution of the new scales is that a ratio of 1 : 30 between the lowest and the highest paid employee of the Government is maintained as far as possible. As the Hon'ble Members are aware no such principle had ever entered into the evolution of pay scales on any previous occasion. This is in accordance with the new trends. It is only time and the financial capacity that will enable the Government to further reduce this ratio.

The Government had to take an additional burden of nearly Rs. 4 crores in sanctioning new pay scales and dearness allowances. We are grateful to Government of India for having afforded financial assistance to meet this new burden partly.

Revision of Pay Scales of Industrial Concerns.

A committee was also set up to review the pay scales and wage structure in State-owned Industrial Concerns. The Committee has submitted its report and the same is being actively considered. In the meantime, it is proposed to sanction enhanced scales of Dearness Allowances to the employees of these concerns.

Remuneration to village officers.

The general revision of the scales of pay of Government employees naturally led to an agitation by the Village Officers for a similar treatment. The introduction of uniform scales of pay in respect of Village Officers throughout the State raises complex issues including the future of the hereditary rights of office and of Inam Lands. It has not yet been possible to examine the whole problem and to evolve a uniform procedure. In the meanwhile, Government have recently sanctioned revision of their remuneration which is expected to cost Government about Rs. 8 lakhs annually.

Service Rules.

A Special Officer was appointed to work out common service rules for all the employees of the new State. With the assistance of the Finance and other Departments, this Officer has almost completed his work. Common service rules have been framed and are about to issue.

Evolution of satisfactory pay scales and service conditions are *sine qua non* for the promotion of contentment among the Government employees. In their contentment lies the efficiency and devotion to service.

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A word in reply to certain uncharitable remarks regarding the delay and inefficiency in the disposal of Government work. I am not justifying either delay or inefficiency, but I am only pleading for a just appraisal of the difficulties that the Government servants have had to encounter after integration and the heavy work that they have to do. By and large it must be said to the credit of a large number of them that they have patiently and zealously toiled and are continuing to toil all these months to make the Government work smooth and efficient.

Integration of Services.

Integration of services brought in its wake another difficulty. Preparation of inter-State seniority lists and the fixation of places for the gazetted and non-gazetted employees is no easy task. Different pay scales, differing grades and responsibilities and variations in the nomenclature of posts have presented complications of no small dimensions. Yet the problem was tackled with great care and provisional lists have already been prepared. The employees are now called upon to prefer their claims, if any, to the entries in the provisional lists. The Government desire to assure that every claim would be considered sympathetically and justice rendered.

Uniform Laws.

The House is aware that different systems of taxation are in force in the different integrating areas of the new State. Not only the Acts but the Rules and the Organisational Set up of the Deptartments differ widely. The administration of these laws became increasingly difficult causing inconveniences to the public. In particular, the administration of Sales-tax and Motor Vehicles Taxation Laws brought in hordes of representations and insistent demands for early redressal of the difficulties caused to the public. Land laws and Land Tenures in different areas needed solution. So also laws governing the Local Bodies and the Village Panchayets. The pattern of educational organisation differs widely in different areas. Even the rules governing the grants-in-aid to educational institutions run by Local Bodies and private agencies differ widely. These are only illustrative and many such problems of similar nature relating to other departments had also to be tackled. The Government could not postpone these issues with any sense of equanimity. They

decided to tackle these problems with determination and expedition. They set up several departmental committees at the Secretariat level to tackle some of these problems. The Secretaries and their assistants have done an exceedingly difficult job in a short time. The results of their labours have been the formulation of general principles for drafting of common taxation laws applicable to the whole State. The Law Department worked almost round the clock and have drafted the necessary Bills for being placed before the House. They are—

(1) The Mysore Sales-tax Bill, 1957.
(2) The Mysore Sales of Motor Spirit Taxation Bill, 1957.
(3) The Mysore Motor Vehicles Taxation Bill, 1957.
(4) The Mysore Agricultural Income-tax Bill, 1957.
(5) The Mysore Court Fees and Suits Valuation Bill, 1957.
(6) The Mysore Stamp Bill, 1957.
(7) The Mysore Irrigation (Levy of Betterment, Contribution and Water Rate) Bill, 1957.

Land Tenures and Tenancy.

Land Tenures and Tenancy Laws necessitated a different treatment. They affect the very lives of the people and had to be tackled with great care and caution. Moreover careful appraisal of public opinion on such a vital social law became necessary. The proposals of the Planning Commission regarding land and tenancy laws had to be kept in view in formulating new land policy. The Government, therefore, decided to set up a Committee with members drawn from different areas under the Chairmanship of Shri B. D. Jatti, a member of the Legislature. There is already enough literature on this subject and this has to be tested on the touchstone of actual conditions prevailing in different areas. The Committee has already commenced its work in right earnest and it is hoped it will submit its recommendations to Government as early as possible. The House will certainly be afforded an opportunity to express its opinion on those proposals. I take this opportunity to dispel misgivings expressed in certain quarters regarding the progressive character of the land policy that the Government is likely to follow in the near future. The evolution of common pattern of land ownership and liberal and progressive tenancy laws consistent with the principles adumbrated by the

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Planning Commission are at present the guiding lines in the sphere of land policy.

Resettlement and Land Records.

The former State of Mysore had initiated a programme of Revision Settlement for it was long overdue. The reclassification work has either been completed or nearing completion in six Taluks of the Chitaldrug District. It is expected that by the end of this year, resettlement will have been introduced in all the taluks where reclassification is either in progress or has been completed. Besides this, Government have in view the introduction of resettlement in all the Taluks of the New State of Mysore where the period of guarantee has expired. In the Districts of Bombay area about 45 taluks are overdue for revision settlement.

In order to avoid delay it is proposed to simplify the procedure and adopt more expeditious methods of resettlement with a view to cover the entire new State in the course of next three years. Increased provision has been made accordingly.

Board of Revenue and Sales Tax.

The Government have reviewed the working of the Mysore Board of Revenue and have come to the conclusion that there should be a Revenue Tribunal for the whole State and a separate Sales-tax Tribunal. Necessary legislation in this behalf will be introduced in the course of this session.

In view of the importance of Sales-tax as a source of revenue, it is found necessary that the department should be reorganised and strengthened greatly not only to administer the law justly and efficiently but also to prevent leakage of revenue. This naturally involves additional expenditure.

Educational Integration.

Consequent on the integration of five new areas, five systems of Education differing from one another, are found to be in vogue. With a view to evolving a uniform pattern of Education for the New State, an Educational Integration Advisory Committee has been constituted by Government. This Committee is examining the issues relevant to the administration of Education at various levels, grants-in-aid to Educational institutions, service conditions of teachers, constitution of Boards for different grades of Education, school

term, holidays and vacations and a uniform system of examinations both for general and technical. This Committee has set up sub-committees to tackle several complicated problems with speed and expedition. Considerable progress has already been made in tackling these problems and it is expected the main Committee will conclude its work shortly.

Grant-in-aid.

A Committee is also being set up to examine the existing rules governing the grants-in-aid to Educational institutions managed by Local Bodies and Private agencies with a view to evolve uniform rules.

University.

The question of re-modelling the University of Mysore on the lines of other Universities is engaging the attention of Government. The advisability or otherwise of entrusting the University with the management of a number of University Institutions is also under consideration. Government desire that the University of Mysore should devote its time and energy more and more for the development of Research and post-graduate Education and rid itself of routine administration of Educational Institutions.

Technical Education.

The administration of technical education is far from satisfactory. There are at present several industrial schools and weaving establishments run by the Department of Industries and Commerce; Craft Training centres by the Labour Department; and Occupational Institutions and Basic Education centres by the Education Department. There is not enough co-ordination, and the result has been some duplication of staff and work and wastage of effort. The question of bringing under one agency all institutions devoted to industrial and technical education is being actively considered.

Education Survey.

At the instance of the Government of India, an educational survey of the State has been undertaken this year with a view to provide adequate educational facilities on a planned basis. In the past, Educational Institutions have grown up in a haphazard manner and their concentration in urban areas has been a matter of history. It is time now that this imbalance is remedied at the earliest possible opportunity so that the rural areas may have educational facilities in an increasing measure. This necessarily brings in the

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question of evolution of a suitable educational set-up which ensures continuous watch of the career of the pupils as they pass on from one class to another and the establishment of teacher-pupil relationship.

The need for pre-primary education is now felt and appreciated more than in the past. This is considered to be very necessary in the rural areas to remove social and environmental handicaps of the backward Classes including the Scheduled Castes and Scheduled Tribes.

Second Five-Year Plan.

The reorganisation of the New State necessitated a careful review of the schemes drawn up by different administrations prior to integration. This was done not merely by combining the plans of different areas but by making suitable adjustments with a view to concentrate more attention on less developed areas. The New State with its coastline of 200 miles has vast potentialities for development of marine fisheries and ports. Schemes are drawn up to step up fish production and for its transport to inland areas. Steps were also taken to constitute a new Department for the administration of minor ports. Experiments for making Mangalore an all-weather port are being conducted at the Research Station at Poona and the Government is anxious to take up this question with the Planning Commission and the Central Government as soon as the results of the experiments are available. The Government have not lost sight of the need for developing Malpe into a major port. This is no doubt a Central responsibility but the location of a major port on the West Coast will accelerate industrial development of the New State.

The total expenditure for the Second Five-Year Plan stands at about Rs. 145 crores excluding revision of scales of school teachers. As the members are aware, annual plans are drawn up within the framework of this big plan. A programme for 1957-58 was accordingly worked out in consultation with the team of experts of the Planning Commission who visited the State recently and the total outlay is estimated to be in the neighbourhood of Rs. 30 crores. The foreign exchange and other difficulties may necessitate a slight downward revision in the total outlay.

The First Five-Year Plan covering the period from 1951 to 1956 aimed at meeting the urgent needs of increasing the agricultural production including food in the country so as to strengthen the economy at the base. Adequate provision was also made for expenditure on social services. The working of the schemes under the First Five-Year Plan has no doubt contributed to the increase of the national income by about 18 per cent. The Second Five-Year Plan has been planned on a much bigger scale with provision for outlay almost double that under the First Five-Year Plan. The Second Plan lays great emphasis on rapid industrialisation to secure rise in the standard of living and also to ensure a more equitable distribution of National Wealth. "The successful execution of the Second Five-Year Plan would also secure large expansion of employment opportunities and reduction of inequality in income and wealth and more even distribution of economic power."

The current year is the second year of the Second Five-Year Plan. Our financial position is none too happy. We have to spend large sums of money on distress relief works and on committed non-plan expenditure. It is, therefore, necessary that we should mobilise all available internal resources for not only to bridge the gap between the Revenue Receipts and Expenditure, but also to meet the plan demands.

National Extension Service and Community Development Programme.

The extension of Community Development programme and National Extension Service is going on according to schedule. There are in all 90 blocks at present. Twenty new blocks were allotted to the State in April last. They have been utilised for the purpose of delimitation of the boundaries of the existing blocks. About 40 new blocks are expected to be allotted to the State in October 1957. Thus the entire State will be covered by this scheme by the end of the Second Five-Year Plan. Adequate provision is also made in the Budget for meeting the development requirements of the areas not covered by this scheme during 1957-58.

Food Situation.

Since presenting the interim budget, scarcity conditions in several parts of the State, particularly in Gulbarga and Belgaum Divisions, have developed. Immediate steps were taken to start relief works on

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an adequate scale. Takavi loans were also distributed to the needy persons of these areas.

The food situation in the Northern Districts of the State has been causing some anxiety. Owing to untimely and excessive rains at the time of the last harvest, food crops in these districts suffered considerably. There was poor harvest in some other areas. Food prices indicated an upward trend resulting in hardships to the poorer sections of the population. With the assistance of the Government of India arrangements are made to open fair-price depots through co-operative societies and local bodies at subsidised prices.

The Government of India are issuing rice and wheat at Rs. 16 and Rs. 14 per maund respectively under the Price Stabilisation Scheme. The Central Government is now armed with powers to bring into the market the hoarded stocks. With the introduction of zonal restrictions for movement of foodgrains, it is hoped that the food situation would ease. The Union Food Minister visited the State recently and has promised to render the State Government all help in ensuring adequate supplies of foodgrains. It is estimated that the State requires about 12,000 tons of foodgrains per month and the Government of India have been requested to supply the same. They had opened four sales depots at Bangalore, Mysore, K.G.F. and Davangere. They have opened two more depots—one at Bijapur and another at Gulbarga—and are strengthening the existing depot at Belgaum. They have also agreed to open one more depot at Hubli. We have urged the Government of India to open two more depots—one at Mangalore and another at Raichur. The Government are watching the situation with great care and will take all steps to meet the food crisis. The Central Government and the State Government have, however, determined to deal effectively with the unsocial elements who resort to hoarding for the purpose of making unconscionable profits out of peoples' distress.

Distress Relief.

To alleviate the distress caused by untimely rains in some areas and poor harvest in some other areas, various relief measures have been initiated. Suspension of Land Revenue has been granted in the

affected areas of Belgaum, Bijapur, Dharwar, Raichur and Gulbarga districts and relief works to the extent of Rs. 12·5 lakhs have been started in the Belgaum and Rs. 6·4 lakhs in the Gulbarga Divisions. These are in addition to the wokrs taken up by several Development Departments. A sum fo Rs. 7 lakhs has been placed at the disposal of the Divisional Commissioners of Belgaum and Gulbarga for distribution of Takavi Loans.

General

Industrial truce concluded between the Management and labour in the Mysore Iron and Steel Works has been followed by other Industries and truce agreements have been arrived at between the Management and labour in Mysore Paper Mills. The Labour Department is organising craftsmen training at ten centres all over the State for the training of skilled workmen required for the Industrial expansion envisaged by the Second Five-Year Plan. It is proposed to train 1,700 skilled workmen during the Plan period.

The Government of India have approved a scheme for improvement of slum areas in the State at a cost of Rs. 75 lakhs which it will assist partly by subsidy and partly by loans. The Government of India have also approved proposals for supply of water to 75 villages in the State and there are other proposals for improving water supply in 103 more villages which are under examination by the Central Government.

The Government have constituted a committee recently to go into the question of setting up an Industrial township in Dandeli area of Karwar District. Further action will be decided on receipt of the committee's report. Schemes are also under examination for improving communications and strengthening railway lines in this area. Steps are being taken to improve communications in Bombay Karnataka and Hyderabad Karnataka areas. A comprehensive scheme for providing direct road communications between the State capital and important towns in these areas involving construction of bridges across the major rivers like the Krishna and the Tungabhadra is under preparation. Big and small irrigation projects in

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Bombay Karnataka and Hyderabad Karnataka areas are receiving adequate attention.

The reorganisation of the co-operative department has necessitated larger provision in the Budget. Establishment of large-size co-operative societies, development of marketing societies and the construction of godowns and warehouses, are also under consideration.

The development works under other departments have secured adequate provision in the Budget.

Finance Commission.

The Finance Commission visited the State in April 1957. The Commission has been fully apprised of the strains to which the finances of the new State are exposed by the low level of welfare facilities in certain parts of the State, the prevalence of continuous famine conditions in certain other districts and the heavy burden of Public Debt. The attention of the Commission was also drawn to the fact that the investment on most of the works do not yield any immediate return but takes several years. We therefore pleaded for greater share under income-tax, excise duties and general grants. We also impressed on the Commission of the difficulties that have arisen as a result of integration. The Commission, however, stressed the need for utmost economy in the State expenditure and for mobilising internal resources to the maximum extent.

The Government lost no time in attending to this important problem of economy. Every item of expenditure included in the Interim Budget was carefully scrutinised and all non-essential items and avoidable expenditure has been cut down to the extent possible. It shall be the constant endeavour of this Government to keep a careful watch over the State's finances and avoid all extravagant and wasteful expenditure. It is also proposed to evolve a uniform pattern of administrative set up for the new State of Mysore.

All these proposals and many others, which it is not necessary for me to mention here, are reflected in the Budget which I am presenting to-day.

The following is the main summary of the changes effected in the Interim Budget:

Revenue Account		*Rs. in lakhs.*	
Deficit as anticipated		1197·96	Budget 1957-58.
Add — Net reductions in Revenue ...		76·46	
Add — Net increased provision for expenditure.		86·06	
		1360·48	
Deduct — Net reductions in expenditure.		160·65	
Deduct — Net increases under Revenue and Grants.		263·84	
Net Deficit ...		935·99	

The net deficit is made up of the following:

Revenue receipts	4483·20
Grants towards the plan	366·70
Difference in Revenue Gap ...	66·62
Grant under Art. 275 of the Constitution...	46·00
Grants towards revision of scales of pay ...	130·00
Total Revenue ...	5092·52
1. Expenditure excluding Plan ...	5205·19
2. Plan expenditure	823·32
Total Expenditure ...	6028·51
Deficit ...	935·99

In framing the Budget we have taken into consideration all items necessary for the development of the New State. We have tried to keep the non-plan expenditure at the minimum. Yet we feel that there is scope for further economy and this can only be done either by an expert or a person of considerable administrative experience appointed for this purpose. While we pruned non-essential items for scaling down the expenditure, we had to make provisions for additional expenditure on account of later developments.

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In framing uniform taxation laws we had to carefully consider revenues each law would yield. The taxation *per capita* differs from area to area and we had to choose rates which were favourable. On this basis, we expect net increase in resources to the extent of about rupees three crores per annum. Additional income by the acceptance of common taxation laws is however not sufficient to cover the huge revenue deficit. The Finance Commission, the Government of India and the Planning Commission have been impressing on us the need for balancing the revenue Budget. This has not been possible in the existing conditions of the State. We are determined however to continue our efforts in the direction of economy and in exploring other avenues to find resources.

A careful study of the Budget will reveal that the revenue deficit is mainly on account of plan expenditure of Rs. 823·22 lakhs and a provision of Rs. 505·37 lakhs for meeting debt service charges (gross). All this is spent in building up assets and on welfare measures. The financial position of the State is therefore sound.

The New State has no doubt great potentialities but it takes sufficiently long time to develop the resources and they require considerable investment. Even if 80 per cent of the plan is implemented, our revenue deficit at the end of the Second Five-Year Plan period will be Rs. 1,666·33 lakhs, of which only Rs. 300 lakhs can be covered by the introduction of uniform taxation. I hope that our case will be sympathetically considered by the Finance Commission and recommendations made for larger grants to reduce our deficit still further.

It is hardly necessary for me to state that the implementation of the developmental plans needs whole-hearted co-operation of all political parties and the public at large. This is equally necessary in raising our internal resources for plan expenditure.

Before I deal with the salient features of the Budget with reference to each Department, I desire to

place before you the provisions made for the Development Departments—

	Rupees in lakhs.
Forest	149·74
Education	1046·86
Medical	244·20
Public Health	121·40
Scientific Departments ...	10·61
Civil Works	442.98
Irrigation	66·33
Agriculture	162·03
Rural Development ...	126·72
Veterinary	70·22
Co-operation	64·35
Industries (net)	136·75
Total ...	2642·19

The above forms nearly 57 per cent of the net expenditure (excluding working expenses of Industrial Concerns) and nearly 71 per cent of the net receipts. The Capital Budget includes provision for the following :—

	Rupees in lakhs.
Civil Works	316·80
Irrigation	791·79
Electricity	468·75
Industrial Development ...	487·77
Public Health	54·36
Road Transport	59·85
Other State Works ...	50·32

Among Civil Works mention may be made of School Buildings (Rs. 16·61 lakhs), Hospitals (Rs. 26·69 lakhs) ; Health Units (Rs. 1·17 lakhs) ; Communications (Rs. 129·25 lakhs). The irrigation programme includes among others, provision for Tungabhadra (Rs. 180 lakhs), Bhadra Project (Rs. 225 lakhs), Ambligola (Rs. 10 lakhs) ; and Ghataprabha (Rs. 73·50 lakhs).

The Electricity Capital provides Rs. 150 lakhs for Sharavathi Project; Rs. 59·04 lakhs for Tungabhadra ; Rs. 15 lakhs for Bhadra. Besides,

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a provision of Rs. 38 lakhs has been made for Power Supply to Irrigation Pumps though this scheme was included under 'B' priority in view of the need to step up Food Production. Under Industries, a sum of Rs. 262·63 lakhs is included for expansion schemes of Iron Works, Porcelain Factory, Soap Factory, Electric Factory, Central Industrial Workshop and Implements Factory. Provision has been made for investments in the State Finance Corporation (Rs. 24·40 lakhs), Co-operative Societies (Rs. 10 lakhs) and other Industries (Rs. 22 lakhs). All these provisions are being made in spite of overall deficit because the State cannot develop without agricultural and industrial progress and we should not forget that these will repay the investment either directly or indirectly. I do hope that when the Budget is discussed, useful suggestions will be made in the matter of rationalisation and reorientation of the State's economy instead of the usual remarks that provisions are inadequate. I may assure you that if for any useful work or scheme there is no provision or inadequate provision in the Budget, I will have no hesitation to approach the Legislature for Supplementary Grants by readjustments.

Taxation.

I have already indicated that action was being taken to introduce uniform taxation laws. We are placing before you the relevant bills to secure uniformity in the taxation structure relating to Sales Tax, Motor Vehicles Tax, Stamp Duties, Court Fee, Agricultural Income Tax and other minor items. We have not only endeavoured to secure uniformity but to achieve rationalisation. You will have enough opportunity to discuss these bills and I request your unanimous support to these measures. These measures are expected to secure an additional revenue of rupees two and a half to three crores per annum.

Assets and Liabilities.

The allocation of assets and liabilities of a reorganised State is not an easy problem. Though the principle has been laid down in the States Reorganisation Act, the actual details involve examination of thousands of items and agreement between the successor States. This will take considerable time and we may know the position only after one or two years. Meanwhile, the Government of India have directed allocation of Public Debt and loans taken

from the Centre on a population basis as a provisional measure. The following figures indicate approximately the liability on account of Debt transferred from different areas:—

	Public Debt (lakhs)	*G.O.I. Loans* (lakhs)	*Total* (lakhs)
Ex-Mysore ...	2510·88	2408·37	4919·25
Bombay Karnataka ...	605·38	677·37	1282·75
Hyderabad Karnataka ...	...	1036·22	1036·22
Madras Karnataka ...	195·96	270·80	466·76
Coorg ...	...	33·72	33·72
Total ...	3312·22	4426·48	7738·70

As against this we have already received cash balance on the basis of population and the State's share of Book value of permanent assets built out of the loans in the respective areas have yet to be determined.

The liability according to provisions of States Reorganisation Act may be much more and it is evident that the assets like Irrigation Projects, Electricity undertakings, etc., transferred will be mostly unproductive in the early years. But these assets will confer direct and indirect benefits and improve the economic standard of the people. To what extent the debt burden could be reduced depends entirely on the recommendations of the Finance Commission and as I have already said we shall hope that the Commission will take into account all aspects and give sympathetic consideration especially in the case of a State like Mysore which has special problems to deal with.

I now deal with salient features of each department:—

National Savings Scheme.

The former State of Mysore had not directly associated itself in the National Savings movement sponsored by the Government of India as the State had its own scheme. It was only from 1st April 1956 that the State fell in line with the Government of India's decision to introduce this scheme in the State. Accordingly, the General Authorised Agency System both for the sale of National Savings Certificates and

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National Plan Certificates was brought into effect from that date.

The Women's Savings Campaign was first introduced in the State about 2½ years ago and it has been widely appreciated and responded to. Ever since the scheme was brought into force in the State, the following steps have been taken :—

(1) Internal Agency System, which is designed to form a number of Savings groups throughout the country for the promotion and intensification of the movement and for the creation of consciousness among all sections of the community, has been introduced with effect from 1st March 1957.

(2) With a view to intensify the Savings drive in the rural areas, Rural Agency System is being introduced shortly. Under this scheme the services of the Presidents of District Boards and Municipalities and the Chairmen of Village Panchayets are proposed to be fully utilised to increase the tempo of this movement.

(3) To assist the National Savings Department of the Government of India, it is proposed to constitute State Advisory Council and Divisional and District Committees. A Directorate has also been created. It has also been proposed to hold the National Savings Fortnight during this month all over the State.

The Small Savings Scheme plays a vital part in securing the resources required for the Second Five-Year Plan. The target of collections under the scheme during the Second Five-Year Plan is set down at about Rs. 500 crores. The States are entitled to about 50 per cent of the collections made within the State for Plan expenditure.

I take this opportunity to appeal to every member of this House and to the public at large to render all assistance in making this movement successful.

Education.

In the Budget placed before you provision has been made under different heads for different courses of Education. The expenditure on Education is on the increase and has now reached a figure of Rs. 1107·82 lakhs. This represents nearly 30% of

the net Revenue of the State. The expenditure of such a high magnitude is necessitated not only by the continuance of the existing Education facilities but also for their expansion contemplated in the Second Five-Year Plan.

There are at present 22,454 primary schools, 3,170 middle schools, 511 high schools, 43 colleges for General Education, 30 colleges for professional education, 13 Polytechnic Institutions and 54 Training Institutions for teachers in the New State of Mysore.

Government have already passed orders for the opening of 365 Single-Teacher Primary Schools in school-less areas of the New Mysore State during the current year involving an expenditure of Rs. 3 lakhs. In order to improve the quality of Education, only S.S.L.C. qualified teachers will be recruited to Primary Schools. The opening of these schools besides solving the need to expand Education facilities will provide employment to S.S.L.C. passed candidates.

The House is aware that the scales of pay of Primary and Secondary Schools Teachers have been upgraded and the Budget includes provision on this account.

A scheme for the construction of Primary School buildings providing for a Government grant of Rs. 750 per class room was introduced during 1956-57 in the Ex-Mysore State area and its progress is being watched. The scheme of general hostels was also continued. A provision of Rs. 5·79 lakhs has been made for general hostels for the current year. A sum of Rs. 25·34 lakhs has been included for construction of Primary, Middle and High Schools buildings. Besides a sum of Rs. 11·28 lakhs has been provided for building grants to aided institutions.

The Budget includes Rs. 2·82 crores on account of grant-in-aid to Secondary, Primary and Special Institutions, managed by Local Bodies and Private Agencies.

One of the significant features of the Education Budget for the current year is the provision of Rs. 12 lakhs for the award of scholarships in middle and high schools and technical institutions in the different areas of the New State of Mysore, out of

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which as much as nearly 6 lakhs of rupees are earmarked for scholarships for Backward Classes and Scheduled Castes and Scheduled Tribes.

Steps are being taken to introduce the pre-University and three-year degree courses of studies in both Mysore and Karnataka Universities.

The more important development schemes under Technical Education during the current year relate to the starting of an Institute of Mining at Oorgaum, Kolar Gold Fields, at the National Certificate (Diploma) level with the assistance of the Central Government, and also, the training facilities in the Sri Jayachamarajendra Occupational Institute, Bangalore and the Karnataka Polytechnic, Mangalore, will be expanded during the course of this year.

Literary and Cultural Development.

The programme of cultural dovelopment initiated in November 1952 met with serious criticism both in the Legislature and outside. The policy had therefore to be changed. The department is now concentrating its attention mostly on literary publications and the preparation of Kannada Encyclopædia. The compilation of the Kannada Encyclopædia is a ten-year plan costing about Rs. 16·5 lakhs to be published in ten volumes with illustrations. The scheme is under examination.

Social Welfare.

The Mysore State Social Welfare Advisory Board was started during the First Plan period. It works as liaison body between the Central Social Welfare Board on the one hand and the State and other voluntary welfare institutions particularly in the field of women and children on the other.

The Board has so far been able to start Welfare Extension Projects in all the districts except Bidar. Each project has its own centres within the district. These centres are devoted to the welfare activities relating mainly to women and children. The Board has an ambitious programme of—

(*a*) Social Welfare for social moral hygiene and after-care services.

(*b*) Educational handicaps.

(*c*) Service home for destitute women, old and infirm.

(*d*) Work centres for unemployed women.
(*e*) Vigilance and reception centres.
(*f*) Vocational Training Centre for destitute women and children.

A provision of Rs. 6·40 lakhs has been made for these Social Welfare activities.

Youth Welfare, etc.

The following gross provisions are included in the Budget to continue the activities of the various organisations:

	Rupees in lakhs
(*a*) Bharat Seva Dal	0·75
(*b*) Bharat Scouts and Guides ...	0·30
(*c*) National Cadet Corps... ...	10·33
(*d*) Youth Welfare	10·74
(*e*) Boys Scouts	0·50

Children Act and Probation of Offenders' Act.

The work under the Acts hitherto looked after by the Prisons Department has been transferred to the control of the Director of Social Welfare. The work is well developed in the Bombay Karnatak through Remand Homes under the management of non-official agencies, like District and regional Probation and After-care Associations. Grants-in-aid are given to these Associations on scales prescribed. The total provision made for the administration of the Acts in the estimates for 1957-58 is Rs. 6·62 lakhs. Opening of new Remand Homes, New Certified Schools, appointment of Probation Officers and reorganisation of Juvenile Branch are the schemes included in the Second Plan at a cost of Rs. 14·84 lakhs, the assistance for which is 50 per cent from the Centre.

Scheduled castes and Scheduled tribes.

The former State of Mysore was spending considerable sums of money for the amelioration of scheduled castes and scheduled tribes. This included grants for housing, education, wells, purchase of agricultural implements, scholarships to students, construction of hostels and other welfare measures. These concessions will now have to be extended to the scheduled castes and scheduled tribes of other integrated areas. The question of preparing a common list of scheduled castes and scheduled tribes for the new State is now engaging the attention of the Government.

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A provision of Rs. 66·32 lakhs has been made in the Budget for 1957-58 and this includes provision of Rs. 10·24 lakhs for centrally sponsored schemes. The State Government will necessarily have to approach the Government of India for additional assistance in view of the limited grants now provided.

Other backward classes.

There is no uniformity in the lists of other Backward Classes coming from the integrating areas of the New State. While the former State of Mysore treated certain communities as Backward, Bombay had treated them differently. Necessity is now felt for the preparation of a common list containing communities belonging to other Backward Classes in the New State of Mysore. The recommendations of the Backward Classes Commission and the lists prepared by them will serve as the basis for the preparation of such a list. The whole question is now under the active consideration of Government.

Provision is also made in the Budget for the welfare of other Backward Classes. In view of the enlarged State, we have made an additional provision of Rs. 5 lakhs: for increased number of scholarships (Rs. 3 lakhs) and maintenance of hostels (Rs. 2 lakhs).

Agriculture Department.

Agricultural production plays an important part in the economy of the State. Provision is therefore made for soil conservation Rs. 10·21 lakhs, food production schemes Rs. 3·06 lakhs, distribution of manure and seeds Rs. 15·46 lakhs, purchase of tractors Rs. 5 lakhs, irrigation wells Rs. 6·07 lakhs, purchasing of pump sets and persian wheels Rs. 10 lakhs, and several other items.

Steps are also being taken to see that the agricultural farms maintained by the department are worked on a profitable basis except where the activities are devoted purely for research.

Agricultural Education is receiving adequate attention. There are now two Agricultural Colleges—one at Hebbal and another at Dharwar. The college building at Hebbal is under construction. The number of basic agricultural schools is proposed to be increased to 5. There are now 24 agricultural research stations, 2 regional farms and 2 demonstration farms where the

work of manurial, agricultural and botanical aspects of various crops is being carried out.

Animal Husbandry and Veterinary Services.

The enlarged State of Mysore possesses a live-stock population comprising of 91 lakhs of cattle, 26 lakhs of buffaloes, 41 lakhs of sheep, 26 lakhs of goats and 78 lakhs of poultry. Considering this vast number and the paramount importance of their wealth in our economy, the policy has been to organise live-stock development on scientific lines under the main aspects of breeding, feeding, management and disease control.

The important schemes and projects embarked upon are—

(*a*) *Key Village Scheme*:—Under this scheme one Key Village Centre was opened at Kunigal.

(*b*) *Promotion of Veterinary facilities*:—Under this scheme eight new dispensaries were opened during the year taking the total for the State to 368. These dispensaries including touring billets provide on an average one institute for 31,000 cattle. By providing 95 more institutions under the plan period, we will be providing one institution for 25,000 heads of cattle which is the present aim on an All-India basis.

(*c*) *Milk Supply Societies*.—As a preliminary to the starting of Milk Supply Union in Bangalore a milk survey has been undertaken. It is also proposed to instal a pasteurisation plant in Dairy Farm at Kudige in Coorg District.

(*d*) *Rinderpest Eradication Scheme*.—This scheme will be worked till the end of September 1957 by which time all the cattle in the border areas of the State would have been protected by conducting mass inoculation. So far, mass inoculation of cattle is completed in the belt areas of Bangalore, Mysore and Mandya Districts and it is now in progress in Gulbarga District.

(*e*) *Veterinary Education*.—With a view to solve the problem of dearth of trained personnel to man the several Veterinary institutions including those proposed to be established under the Second Five-Year Plan scheme, it has been decided to start a Veterinary College in the State with the financial assistance of

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the Central Government. Seventeen stipendiaries are now studying in various Veterinary Colleges in India.

The other important schemes embracing several branches of Animal Husbandry activities envisaged under the Second Five-Year Plan are Gosadans, Sheep and Wool Extension and Poultry Development.

A good net-work of institutions exists, through which the department is carrying on its varied activities. There are—

23 Live-stock Breeding Farms
21 Artificial Insemination Centres
368 Veterinary Dispensaries
2 Dairy Farms.

Fisheries.

The landlocked old Mysore State offered extensive scope for development of fresh water fishery with its extensive net-work of tanks and rivers. In view of the fact that about 200 miles of very valuable fishing coast-line now forms part of the New Mysore State, it has become one of the important maritime States in India. In order to accelerate and give sufficient impetus for fisheries development, Government have set up an independent Department of Fisheries under a Director with effect from 1st May 1957.

With a view to improve and exploit the fisheries resources of the new State, comprehensive schemes have been drawn up in the Second Five-Year Plan. These schemes include mechanisation of fishing craft, training of fisher youths, exploration of new fishing grounds, improvement of harbour facilities, establishment of cold storages and ice plant, fish marketing and assistance to Fishermen's Co-operatives. The total outlay for the plan period for Fisheries development is Rs. 74·42 lakhs out of which Rs. 53·68 lakhs is earmarked for marine fisheries and Rs. 20·74 lakhs for inland fisheries.

For carrying out the programme of development of marine fisheries technical assistance of six F.A.O. experts has been taken. At present three experts, *viz.*, a Harbour Specialist, a Naval Architect and a Marketing Expert are working in the State and the remaining three experts will be arriving shortly.

The prospects of developing inland fisheries are great and accordingly steps are being taken to improve them along with marine fisheries. This programme includes opening of fisheries development divisions, establishment of fish farms, stocking of fish fry and exploitation of selected reservoirs.

Medical.

To the 565 Allopathic Hospitals and Dispensaries in the erstwhile State of Mysore, 191 in the integrated areas have been added thus bringing the total number of these institutions to 756. As against 40 Medical Institutions proposed to be opened under the Second Five-Year Plan, 21 have already been started so far.

Government have sanctioned Rs. 3 lakhs to equip the major and district hospitals. It is also proposed to increase the bed strength in the Mental Hospitals, Bangalore and Dharwar, and also the District and Taluk Headquarters Dispensaries throughout the State.

Dental and Venereal Diseases Clinics at District Headquarters Hospitals are proposed to be opened and the requisite amount for this purpose has been included in the Budget. Provision has also been made for providing separate wards for the treatment of cancer cases. Diagnostic and Deep X-ray plants have been supplied to several institutions at a cost of nearly Rs. 3.5 lakhs.

As there is great demand for admission of T.B. patients, it is proposed to increase the bed strength of T.B. Sanatoria during the Second Five-Year Plan period at a cost of Rs. 10 lakhs. It is also proposed to open T.B. wards in District Headquarters Hospitals at a cost of Rs. 3 lakhs.

Five Cottage hospitals are provided in the Second Five-Year Plan. Two such hospitals have been sanctioned, one for Bhatkal (North Kanara) and the other at Saundatti (Belgaum District). These two will be opened shortly. The remaining three will be taken up at places to be selected during the remaining Plan period.

The question of opening a Medical College and Hospital at Hubli is under consideration. As the

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Second Plan has not taken into account the entire cost of the scheme, Government of India is being approached for assistance to implement the entire scheme. The total provision included in the Budget for Medical and Health facilities is Rs. 365·60 lakhs.

The expenditure works out to Rs. 1·83 *per capita* which is considered to be a higher figure and compared to our resources, we are spending much more than what one can be expected to do. This expenditure is besides the water supply and drainage schemes and slum clearance which are intended to improve the Public Health.

Public Health.

The Government of Mysore have all along been pursuing a policy of providing combined medical and preventive facilities to the rural population by organising primary health centres. During 1956-57 there were 203 full-fledged and 33 modified health centres in the erstwhile Mysore State.

A large number of development schemes on public health side are contemplated during the Second Five-Year Plan at a cost of Rs. 261·17 lakhs.

Malaria was endemic in Mysore. The Malaria Control Units in the new State caters to the need for a population of 12·6 millions. As a result of working of these units malaria in these areas has been practically controlled.

Control of Tuberculosis by mass B.C.G. vaccination is in force. This has been extended to the integrated areas also.

With the integration of new areas anti-leprosy measures assumed greater importance. The starting of leprosy clinics in the endemic areas of Madras, Bombay and Hyderabad Karnatak is under consideration of Government.

The importance of Family Planning needs no emphasis and it is proposed to start ten urban and thirty rural Family Planning Centres at a cost of Rs. 5·27 lakhs during the Second Five-Year Plan.

In collaboration with the W.H.O. and UNICEF, the Government have undertaken the scheme of the

combined Rural Health and Nursing Project, whereby the Maternity and Child Health Services existing in the State will be improved and the standard of training of the midwives and nurses will be upgraded.

Cholera has become endemic in Mysore since 1948 and the statistical analysis shows that Kanakapura Taluk is the focus from which this infection spreads to other parts of the State. As a measure of prevention the Government sanctioned a scheme at a cost of Rs. 2·34 lakhs for the establishment of 6 Primary Centres in Kanakapura Taluk and provision has been made for improving the sources of water supply to most of the villages.

Public Works Irrigation.

Work on the Tungabhadra Project is proceeding satisfactorily. The work on the dam is almost completed and that of the canal on the Raichur side is in rapid progress. Out of the total length of 127 miles of the main canal on the Raichur side more than three-fourths has been completed and the balance of work is being executed rapidly. Fifty thousand acres of land in Mysore State on both sides of the project have been brought under irrigation and it is expected that another one lakh acres may be in a position to utilise the facilities of irrigation next year. The excavation of the canal from mile 44 to mile 73 under Dhupdal weir of the Ghataprabha project is under rapid execution. The second stage of the project contemplates the construction of a dam at Hadalga.

On the Bhadra dam the work is progressing satisfactorily and the pace will be kept up in the current year also. The Left Bank Channel of the dam is practically completed and water was allowed to the full length of the channel last year. Already an area of about 6,145 acres has been developed under the Left Bank Channel. On the Right Bank Channel 80 per cent of the work of excavation has been completed. The embankment work and other cross drainage works are in full swing and the contour and deep cuttings on both the approaches and draft sides of the tunnel work is in progress.

It is expected that under Nugu Reservoir during the current year full ayacut of 20,000 acres will be irrigated.

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In the Tunga anicut works, the work on the left bank channel is completed and work on the right bank channel up to the 15th mile has been completed. Survey work for forming irrigation tract roads and miscellaneous works are in progress.

In the Ambligola Reservoir Project earthwork excavation for the seat of embankment, masonry and puddle core walls are in progress.

The Planning Commission have approved the Dharma Reservoir Project in Dharwar District and Hagari Bommanahalli Project in Bellary District. The work on these projects will be started during this year. Other projects like Raman Hally, Kalascope, Areshankar and Kolchi weir to benefit the scarcity areas in Bijapur District are nearing completion. It is proposed to take up during this year a few other medium schemes, like—

(1) Kanaka Nala
(2) Hattikoni
(3) Kabbini Project
(4) Chikkahole Project
(5) Hebbahalla Project
(6) Sagare Doddakere Project
(7) Arkavathi Project
(8) Jambadahalla Project
(9) Mangala Project, and
(10) Lakshmanathirtha Project.

Investigations on the Upper Krishna Project have been undertaken. The Malaprabha scheme has been investigated and the details have been sent to the Central Power Commission for their scrutiny.

During the current year a Flood Control Board and a Technical Advisory Committee to the Board were constituted for the State.

For the year 1956-57 there was a programme of restoration of 863 tanks at an estimated expenditure of Rs. 25 lakhs. This programme was for the most part fulfilled. For the year 1957-58 the Government have a programme of restoring 500 tanks.

In order to place the several statutory provisions now in force in the State regarding the levy of betterment contribution and water-rate on a uniform and

rational basis, a Bill which seeks to consolidate and amend the existing laws has been prepared.

Buildings.—The construction of the Agricultural College building at Hebbal at an estimated cost of Rs. 10·13 lakhs has been taken up and is making steady progress. The construction of a Central Sericultural Institute building at Channapatna at an estimated cost of Rs. 5·38 lakhs is also proceeding.

Road and Bridges.– The construction of bridge across Cauvery near Chunchinkatte estimated to cost nearly Rs. 5·60 lakhs is progressing satisfactorily.

The following are some of the important road and bridge works proposed to be constructed during the year :—

Road Works.

(*a*) Sindgi-Gulbarga road unexecuted portion from Hippangi to Hyderabad border.
(*b*) Gadag-Munirabad road.
(*c*) Improving the gravel section of V.B.B. road from Hungund to border of Hyderabad.
(*d*) Improvements to Sadasivgad-Belgaum road.
(*e*) Construction of Gingigerah-Keslapur road.
(*f*) Do Koppal-Gadag road.
(*g*) Do Malkhad-Chittapur road.
(*h*) Do Bijapur-Sindgi-Gulbarga road.
(*i*) Metalling and improvement of Shorapur-Lingasu road.
(*j*) Widening and re-aligning Mangalore-Mercara r 0 to 14–6 miles.

Bridges.

(1) Construction of a bridge across Malaprabha river near Khanapur.
(2) Reconstructing collapsed culvert at 60/4 of main Manjarabad road at 11/5.
(3) Reconstructing Mudabidri-Gurumayakere road.
(4) Reconstructing Belakavadi bridge at 37/3 of Mangalore–Mysore road.
(5) Causeway at 2/3-1 of Adoni-Siruguppa road.
(6) Bridge across Chick-Hagari in mile 11/5 of Hospet-Kottur–Kudligi-Sandur road.

A programme for the construction of new and incomplete roads at an approximate cost of Rs. 75 lakhs and for the construction of bridges at an estimated

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cost of over Rs. 25 lakhs is expected to be implemented in the course of the year. A comprehensive scheme for providing direct road communication between the State capital and every one of the District Headquarter towns involving the construction of bridges across major rivers like Tungabhadra and Krishna, is under preparation.

Water Supply Schemes.—The following are the new water supply schemes under consideration :—

(1) Rakaskop water supply scheme, Belgaum.
(2) Shahabad water supply scheme, Gulbarga.
(3) Chitapur water supply scheme.
(4) Gangavati water supply scheme.
(5) Koppal water supply scheme.
(6) Water supply to Somavarpet Town, Coorg District.

West Coast Road Programme.—The West Coast road programme is forging ahead. A provision of Rs. 72·16 lakhs is made in the Budget for 1957-58.

Electricity.

During the commencement of this financial year, the Electricity undertakings in the Districts of Dharwar, Belgaum, North Kanara and Bijapur were transferred to the control of the Mysore Government from the Bombay Electricity Board. The Government are taking steps to form an Electricity Board in this State with effect from 1st July 1957.

The load on the present Generating System reached 143·00 megawatts against the firm power of 142·00 megawatts available. This resulted in the imposition of general restrictions on fresh power supply throughout the State. In spite of this difficult situation the Electricity Department is doing its best to arrange power supply to essential requirements, such as, water supply, hospital installations, etc. The work on the Bhadra Hydro-Electric Project is progressing briskly. Details of specification for all major equipment have been drawn up and tenders have since been received and are under scrutiny. It is expected that during the year, order for necessary equipment will be placed.

In the Tungabhadra Project on the Right Bank one generator has already been commissioned and another generator is expected to be commissioned

during June 1957. The other two generators to be installed at Hampi Canal Station are under erection and are expected to be commissioned during the year. Twenty per cent of the power generated will be available to Mysore. On the Left Bank side progress on the Hydro-Electric works is satisfactory. Orders have been placed for the equipment required for the Power Station at Munirabad. Works, such as the Power House Building, etc., are being pushed through. During the year it is expected that work on the (1) Mangalore-Puttur Transmission Line, (2) Doddaballapur-Gauribidnur Transmission Line and (3) the Mysore-Chamarajanagar Transmission line of 39 KV will be completed. The work on the 110 KV single circuit on the Shimoga-Bhadravati line is progressing.

In the field of Rural Electrification, it is planned to electrify about 125 villages during the current year.

Industries and Commerce.

Several Development Schemes have been taken up and completed in the last five years resulting in an alround increase in State's industrial activities.

Mysore Iron and Steel Works, Bhadravathi.—A number of expansion schemes were taken up in the Works including the installation of a Sintering Plant. At the end of the Five-Year Plan, the Works had expanded the pig iron production capacity from 25,000 tons to 90,000 tons by the installation of the two Pig Iron Furnaces.

A scheme for the expansion of capacity of Cast Iron Pipe from 10,000 tons to 22,500 tons per annum was taken up at the later stage of the First Plan period. This scheme is nearing completion and production is expected to be commenced during the current year. Improvement to Foundries, Yard, Electricity and Tramways is in progress. A sum of Rs. 227·13 lakhs has been provided for the expansion schemes of the Works.

Government Electric Factory.—The expansion of this factory has been taken up for the manufacture of higher capacity transformers up to a maximum capacity of 1000 KVA. The factory is supplying transformers not only to the Mysore Electrical Department,

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but also to other States including the Government of India.

Negotiations with a reputed West German Firm for technical collaboration for stepping up of production of transformers are under way.

Government Porcelain Factory.—The scheme for the manufacture of 2,500 tons of High Tension Insulators per annum has been taken up in collaboration with a reputed firm of Japan at a cost of Rs. 84 lakhs.

The new factory was inaugurated by the Prime Minister on 23rd February 1957. This is a first large scale high tension insulator factory to be set up in India and is expected to meet most of the demands of the country in the near future.

The Tunnel Kiln of the Factory which is newly constructed is one of the biggest in the world and trials have already been conducted therein successfully.

Government Soap Factory.—Started in 1918, the Government Soap Factory has grown in size and stature to become one of the leading Soap Factories in India to-day. The inauguration of the expansion scheme of this factory in March this year in its new buildings marks the completion of the first stage of expansion of the factory which was initiated in the year 1950-51.

The programme of increased production from the present level of 600 tons to 1,500 tons per year will go a long way to meet the growing demand for Mysore Sandal Soap both in the Home and overseas markets.

Mysore Implements Factory, Hassan.—A scheme for the mechanisation of the factory has been drawn up to facilitate mass production of implements of improved quality at competitive rates to meet the requirements of the common man. Necessary machinery has been ordered and the project is expected to be completed in the Second Five-Year Plan.

The amount of aid in the shape of share capital subscribed by the Government in several industrial

concerns is of the order of Rs. 172·71 lakhs of which Rs. 28 lakhs has been recently invested in three Sugar factories. This is besides investments to be transferred from other integrated areas.

Rural Industries and Industrial Co-operatives.

The promotion of Rural Industries and Crafts in the State has been undertaken primarily through the agency of Industrial Co-operative Societies and Craft Co-operatives and there are over 1,000 such Co-operative Societies operating over the greater Mysore State. Among the more important cottage industries and handicrafts promoted through the societies are Khadi, Spinning and weaving, handloom weaving, wool weaving, silk weaving, bee-keeping, oil pressing, tannery and leather work, carpentry and smithy, metal working, rope and mat making, dyeing and printing, glass bangle making, cashew-nut processing, coir working, sandalwood carving, non-edible oil and soap industry, match industry, hand-pounding of rice, etc. With the setting up of the Khadi and Village Industries Board in Mysore, the activities covered and assisted by the All-India Khadi and Village Industries Board will be transferred to the Mysore Board. The remaining industries will continue to be administered through the various co-operative societies. Provision has been made to assist the Co-operative Societies through loans both for the craft societies and the rural industrial co-operatives. Wherever artisans are concentrated, industrial co-operatives are being formed and assistance offered by the Small Scale Industries Board is being availed of.

Provision of Rs. 60·76 lakhs has been made for assistance to the handloom weavers, major portion of which will be financed by the Government of India from the All-India Handloom Cess Fund.

Two Co-operative Spinning Mills have been granted licenses by the Government of India and it is hoped that they will be able to make further progress on receiving necessary facilities for foreign exchange.

Another important feature of the development scheme is the establishment of housing colonies on co-operative basis for the weavers. In addition to various improved appliances supplied to the weavers for standardising quality of production, efforts are

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being made to improve designs produced. Action has been taken to implement the Ambar Charaka Scheme in the State.

On the advice of the Government of India, it has been decided to set up 8 Industrial Estates in the State. These will give a considerable impetus to the development of small scale industries which are to-day hampered for want of accommodation, water, power supply and delay in the grant of licenses by the Municipalities and health authorities. Facilities will be available for the Industries to purchase the buildings in the industrial estates by hire purchase system. To expedite the work, a Sub-Committee has been set up by Government to visit the sites and make the land available quickly so that the amount provided could be utilised properly and in time.

Opportunity has been availed of to utilise the scheme launched by the Government of India for distributing machinery to small scale industries on hire purchase system through the Small Industries Service Institute.

The Mysore Khadi and Village Industries Act has been promulgated. Action is being taken to set up a statutory Board so that the Board could implement the scheme sanctioned more vigorously. Schemes are also under consideration for the promotion of sales of handicrafts in the foreign markets with the help of the State Trading Corporation of India.

Mines and Geology.

Apart from carrying on its normal activities—mineral survey and exploration—the Department has during the ensuing year an ambitious programme to undertake the prospecting of manganese in North Kanara District and Lime Stone in Bijapur and Belgaum Districts. Prospecting and exploration of minerals will be taken up also in Bellary District where a divisional office of the Department has already been set up. Other investigations undertaken during previous years continue to make satisfactory progress. The following six schemes have been taken up under the Second Five-Year Plan at an estimated cost of Rs. 40·5 lakhs :—

(1) Exploitation of Chromite deposits ;

(2) Beneficiation of manganese ore at Kumsi ;

(3) Development of Soapstone Industry;
(4) Refining of China Clay Industry;
(5) Exploration of Sulphide Deposits in Chitaldrug District;
(6) Mineral Survey, Exploration and Expansion of the ore dressing and Chemical Laboratories of the Department.

The first four schemes are being executed by the Bureau of Mineral Development, an industrial concern of the Department, and a revenue of Rs. 2 lakhs is anticipated during the current year.

The exploration of Sulphide ore at Ingaldhal has given very encouraging results and the scheme is being continued with a view to arriving at a systematic survey and exploration.

Sericulture.

The development of the Sericulture Industry is receiving the special and continued attention of the State Government in view of the importance of this major Cottage Industry in the Rural Economy of the State. Technical guidance in the improved methods of mulberry cultivation, silkworm rearing and silk rearing is being given to the sericulturists. The assistance given by the Central Silk Board for the development of this Industry is being availed of. Establishment of a Raw Silk Marketing Society which was under consideration of the State Government for some time in the past has been formed and the Society has now been registered. It is intended that with the help of this Society, the silk rearers will be able to stabilise the market and eliminate the considerable fluctuation in prices which has been the main handicap in the progress of the silk industry.

A separate P.W.D. Division has been now formed to expedite all building works and well sinking works. A committee has been constituted to find out ways and means of making the Silk Industry remunerative and for improving designs of fabrics and dyeing.

Co-operation.

(*1*) *Reorganisation of Agricultural Credit.*—It is proposed to organise 850 large-sized Societies. Each Society has to advance loans to members to the extent of Rs. 1·50 lakhs every year by the end of 1960-61. It is also proposed to cover 75 per cent of the Villages

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and 60 per cent of the Cultivators' families and advance Rs. 23 crores as production and marketing finance by the end of the Plan period.

(2) *Linking of credit with marketing.*—Each of the 160 Marketing Societies proposed to be organised or reorganised will be given financial assistance for construction of godowns and towards cost of a trained Secretary. At State level it is proposed to contribute Rs. one lakh towards the Share Capital and to give financial assistance of equal amount for construction of godown to the State Co-operative Marketing Society. It is proposed to contribute to the Share Capital of the District Central Co-operative Banks to enable them to advance agricultural finance to the extent of Rs. 70 lakhs to Rupees one crore according to the size of the District. Long term loans to agriculturists to the extent of Rupees one crore annually by 1960-61 are proposed to be given through Land Mortgage Bank.

(3) *Processing.*—It is proposed to have ten Processing Societies during the Plan period. Financial assistance in the form of contribution to the Share Capital of Sugar Factories has already been given.

(4) *Training and Education.*—It is proposed to train 2,000 persons in the three Co-operative Training Schools at Dharwar, Mysore and Mercara by the end of the Plan period.

Miscellaneous.

The existing Farming Societies will be reorganised and revitalised. The cost of the Second Five-Year Plan is estimated at Rs. 2 crores and 67 lakhs. It is proposed to obtain a total finance of Rs. 50 crores from the Reserve Bank of India.

During the period from November 1956 to May 1957, loans to the extent of Rs. 3 crores have been advanced to the agriculturists by way of short term loans. Long term loans to the extent of Rs. 30 lakhs have been advanced to the cultivators through the Central Co-operative Land Mortgage Bank. During the same period financial assistance to the extent of Rs. 6·54 lakhs has been given to various types of societies for construction of godowns, towards the cost of trained Secretaries, etc. Government have given a guarantee of Rs. 2½ crores to the Reserve Bank of India for advancing loans to Agricultural Co-operative Credit Societies. Assistance for share capital of Rs. 15

lakhs to the State Apex Co-operative Bank and Rs. 10 lakhs to the Central Co-operative Land Mortgage Bank has been secured from the Reserve Bank of India. 33 Marketing Societies and 4 Commoditywise Marketing Societies have been given financial assistance to the extent of about Rs. 7·15 lakhs towards share contribution, cost of Secretaries and for construction of godowns. The three Sugar Factories have also been given assistance in the form of Government guarantee to the extent of Rs. 80 lakhs and contribution towards share capital. About 60 Supervising Unions at the rate of one per Taluka have been organised with a view to creating non-official leadership at Taluka level and to facilitating the development of Co-operative Movement on sound lines.

Marketing.

Regulated Markets.—At present there are 48 major and 38 minor Markets and during the Plan period it is proposed to regulate 24 major Markets and 10 minor Markets. Consequent on the reorganisation of the States, different Market Acts are in force in the State and the question of having a uniform legislation is under consideration. Several schemes of importance in the field of Marketing are under way in the Second Five-Year Plan.

Labour.

The needs of the managements of plantations for loan assistance for providing houses is being ascertained, and loans up to 80 per cent of the cost of the houses to be constructed will be sanctioned. A sum of Rs. 3 lakhs is allotted for the purpose by the Government of India.

Sanction has been accorded to a scheme costing Rs. 67·75 lakhs for training of craftsmen required for work in connection with large expansion of industries envisaged in the Second Five-Year Plan, under which over 1,700 craftsmen will be trained during the Plan period, the allotment for the current year being Rs. 26·3 lakhs. 252 trainees were admitted into the various Industrial Training Institutes. The number will be progressively increased.

The other schemes of this Department under the Second Five-Year Plan relate to the opening of Employment Exchanges at important Centres, augmenting the strength of the Inspectorate of the Department to secure a better enforcement of the

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several enactments for the welfare of labour and the starting of Welfare Centres at places where there is a concentration of labour.

The introduction of the Employees' State Insurance Scheme for the industrial workers residing in the Greater Bangalore area is under consideration. Under this scheme a big hospital with 100 beds and 19 dispensaries will be opened in this area and four dispensaries now run by managements of large factories also utilised. This will benefit 52,000 workers. In addition, out-patient treatment and domiciliary confinement are provided to the members of their families. A provision of Rs. 3·48 lakhs is made for the purpose in the current year's budget. The Employees' State Insurance Corporation meets $\frac{3}{4}$ of the expenditure on the workmen and five-sixth of that on their families. The State's expenditure during the Plan period will be Rs. 12·43 lakhs.

Forest.

The enlarged Mysore State has a forest area of about 12,269 sq. miles as against the area of 5,205 sq. miles prior to re-organisation of States. This means an increase of 135 per cent in the forest area of the State which is expected to yield an annual income of not less than three crores. With the rapid industrialisation of the State, exorbitant demand for timber, firewood, charcoal, bamboos, etc., has been created, whereby there is great scope of not only deriving increased revenue, but also necessity to regenerate the forest according to the working plan for each area under the Second Five-Year Plan. The important schemes proposed to be taken up during the year under the Second Five-Year Plan and sums provided therefor are as below:—

Name of Scheme	*Provision* Rs. (In lakhs)
Soil Conservation—	
(*a*) Afforestation including sowing and planting	8
(*b*) Schemes for the promotion of secondary timber:	
(i) Development of integrated industries ...	1
(ii) Establishment of creosoting plant ...	1
(iii) Establishment of wood seasoning-kiln	0·33
(*c*) Matchwood Plantations	1·29
(*d*) Rehabilitation of degraded forests ...	3·43
(*e*) Improvement of communication and housing for forest staff	2·30

A great fillip has been given to afforestation and rehabilitation of degraded forests, and in all 8,479 acres were planted up during 1956-57.

To have a uniform forest policy for the whole of the new State steps are afoot to integrate all the Acts and Rules and to frame uniform laws for the entire State. The enlarged Mysore State has practically a monopoly in sandalwood with an annual output of about 2,500 tons. The rights in sandalwood vary in the different integrating parts. It is now under the active consideration of the Government to acquire private rights in sandalwood with a view to arrange for better protection and exploitation and altogether remove chances of smuggling for which legislation has to be undertaken. The question of leasing forest areas with sparse growth of wood for growing trees and fruit plants is also being examined.

District Boards and Village Panchayets.

There are 18 District Boards and 14,496 Village Panchayets in the New State. Government are assisting the Local Bodies to the extent possible for providing amenities such as protected water supply, drinking water wells, better communications in the rural areas.

In the Second Five-Year Plan, provision to the extent of Rs. 416·64 lakhs had been made for development works to be undertaken by the Village Panchayets and District Boards of the State. Rural Water Supply Schemes for which a provision of Rs. 159·45 lakhs is made in the plan, have been given special importance. Every effort is being made to provide drinking-water wells in every village in the State. The improvement of existing roads and formation of new roads in the rural areas is also proposed to be taken up as one of the major schemes under the Plan.

Under the National Rural Water Supply and Sanitary Scheme sponsored by the Government of India for the supply of drinking water to populous villages or groups of villages, the first batch of proposals costing Rs. 30·89 lakhs in respect of 75 villages in the districts of Kolar, Tumkur, Shimoga and Hassan were approved by the Government of India. The second batch of proposals costing Rs. 47·35 lakhs in

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respect of 103 villages in the districts of Mysore, Mandya, Bangalore, Chitaldrug, Bellary, Chikmagalur and Hassan have been sent to the Government of India for necessary approval. Schemes in respect of other integrating areas will be sent to Government of India shortly and all these works will be taken up in due course.

In order to achieve the targets fixed in the Second Five-Year Plan from year to year, necessary and adequate provisions have been made in the State Budget for the year 1957-58 for the various items of the Plan. The following are some of the important provisions:—

		Rs.
Rural Health and Sanitation	...	10 lakhs
Rural Water Supply	...	12 ,,
National Water Supply	...	50 ,,
Rural Communications	...	10 ,,

The Budget also provides for the assignment of Land Revenue to Village Panchayets. Certain practical difficulties have been felt in determining share due to each village panchayet or local body in the old Mysore area and Government will examine the possibilities for a more expeditious distribution of this revenue.

Municipalities.

There are in all 180 Municipalities and one Municipal Corporation in the New State of Mysore. These Municipal Bodies have made appreciable progress in the improvement of their areas by providing better civic amenities to the citizens, such as, protected water supply, underground drainage, better roads, etc. Government are affording all possible financial assistance in the shape of loans and grants. Necessary provision to the extent possible is made in the State Budget for 1957-58 to afford financial assistance. In the Second Five-Year Plan, a provision of Rs. 340·53 lakhs is made for grants to Municipalities for completing all old works and to take up fresh works. Government of India has also promised a sum of Rupees one crore as loan to the Corporation of the City of Bangalore for improvement of water supply and drainage. A sum of Rs. 60 lakhs will be utilised for water supply work and Rs. 40 lakhs for drainage work. As soon as sanction is accorded by Government of

India, we can provide funds by supplementary grants. A scheme costing Rs. 75 lakhs during the Second Five-Year Plan period for slum improvement works in the State has also been sanctioned.

Grants and Loans to Local Bodies.

The following are some of the provisions included as grants and loans to Local Bodies:

	Rs. (*In lakhs*)
50 Civil Works—Water Supply and Town Improvement	10·65
39 Public Health—Water Supply, slum clearance, etc.	14·87
57 Miscellaneous—Statutory and other grants.	57·25
Road Fund	16·15
Loans	91·50

Besides the above, a provision of Rs. 54·36 lakhs has been provided under capital section for water supply schemes.

Housing.

Work was continued on 13 projects for the provision of housing to industrial labour and by the end of last year 3,048 houses were completed. The work is continuing at Byatarayanapura (Bangalore), Mysore, Belagola, Harihar, Nanjangud and Bhadravati. A provision of Rs. 12·68 lakhs under subsidy and Rs. 10·68 lakhs under loan to the Mysore Housing Boards has been made for completing the projects on hand and for taking up fresh schemes.

Under the Low Income Group Housing Scheme' the Mysore Housing Board has so far completed 116 houses and 304 are under different stages of construction. The Co-operative Housing Societies in the State sanctioned loans for the construction of 734 houses at an estimated cost of Rs. 54 lakhs and 268 houses have been completed, the others being in various stages of construction. A sum of Rs. 8·85 lakhs was sanctioned to the Local Bodies for the construction of houses of which 70 have been completed.

The Government of India advanced a sum of Rs. 50 lakhs to the State Government during 1956-57 and a sum of Rs. 35 lakhs has been allotted for the current year. This is besides a provision of Rs. 6 lakhs provided in the loan section for advances to Government servants for construction or purchase of houses.

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Justice. The scheme for the separation of the Executive from the Judiciary is enforced in all areas of the State except Coorg.

Transport. 25,696 Motor Vehicles of the various categories have been registered in the State.

With a view to ensuring more efficient control over motor vehicles and collection of taxes, the Department has been reorganised with effect from 1st April 1957 and the State has been divided into five regions. The administration of the Motor Vehicles Act and Taxation Acts is now vested in the Commissioner for Transport and the Regional Transport Officers. The State Transport Authorities have als been reconstituted with effect from 1st April 1957.

Consequent on the change in the Motor Vehicles Taxation Laws, proposals to revise the amount of compensation payable to local bodies for loss of income on account of Motor Vehicles taxes are under consideration. The question of rationalising bus fares and lorry freights is also under consideration of Government.

Road Transport. The Road Transport Department now consists of four District Units, *viz.*, The Bangalore Division, consisting of the services in the old Mysore area, the Bangalore City Transport Service, the Raichur Division and the Hubli Division.

Government have decided to set up a State Road Transport Corporation in conformity with the policy laid down by the Planning Commission. The Government of India have been approached for financial participation in the Scheme. The State Corporation is expected to have a total capital of about Rs. 450 lakhs.

Conclusion. I have indicated generally the difficulties that the new State had to encounter in the early months of integration. There are still a variety of problems to face and impediments to overcome. No doubt, political integration has taken place; but real integration can only come when we achieve psychological and emotional integration of the people. The new State, no doubt, is full of potentialities, but it requires unabated efforts, zeal and determination to bring about alround development of the State.

The Plan expenditure of Rs. 823·32 lakhs (gross) is shown under Revenue account. We have also made a provision of Rs. 505·37 lakhs towards Debt Service charges. These two items have been mainly responsible for this deficit. This is proposed to be covered partly by the yield of about Rs. 2 crores in the current year from the uniform taxation laws to be enacted. The balance will be met from existing cash resources or borrowings. I have already mentioned that the recommendations of the Finance Commission may ease our financial difficulties to some extent. There is nothing in our financial position to be dismayed about. I am sure, you are equally determined with us that we should go ahead with the development plans for the reconstruction of this new State. It is only by sacrifice and determination that we can build it up. I hope your unstinted co-operation will be forthcoming in an abundant measure in this supreme task. JAI HIND.

Sri T. MARIAPPA.—Sir, I lay the Budget Estimates on the Table of the House.

Mr. SPEAKER.—Before we rise I would like to know at what time we should meet on Monday. There was a proposal to change the time of our meeting from 12 to 2. I would like to know whether it would be desirable for us to begin our proceedings from Monday from 2 and sit up to 7 with a break of ½ hour.

Sri K. KENCHAPPA (Hiriyur).—12 o'clock would be all right.

Sri K. PUTTASWAMY (Mysore).—2 to 7 would be convenient.

An Hon'ble MEMBER.—We may meet from 1 to 6.

Mr. SPEAKER.—There are three proposals, namely, 1 to 6, 1-30 to 6-30 and 2 to 7 P.M. For some time we shall meet at 2 P.M. and rise at 7 P.M. with a break of ½ hour. So, on Monday the House will meet at 2 P.M. and rise at 7 P.M. with a break of ½ hour.

An Hon'ble MEMBER.—What about Saturdays?

Mr. SPEAKER.—On Saturdays we shall meet as usual.

The House adjourned at Forty Minutes past Four of the Clock to meet again at Two of the Clock on Monday, the 17th June 1957.

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